Headquarters U.S. Air Force

Integrity - Service - Excellence

Food Transformation Initiative (FTI)

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History

- AF Services identified that food service was the most significant area for improvement
  - Customer satisfaction was comparatively low
  - APF costs and NAF financial performance were concerns
- SECAF established Air Force Smart Operations for the 21st Century (AFSO21) Innovation Fund in late 2007
  - Intent to save AF $ while improving performance
- Services developed business case to transform its food service operations in 2008
  - AF awarded over $60M in investment and sustainment for this initiative

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Food Transformation
The Need for Change

- 15 Dining Facilities closed in the last 5 years
- Total meal costs average over $20 per meal
- During peak hours, facilities are operating at 32% of capacity
- Dining venues aren't conveniently located based on day part usage patterns
- Hours aren't convenient – especially for "grazing"
- Infrastructure sized for Cold War era populations
- Facilities are expensive to operate and maintain

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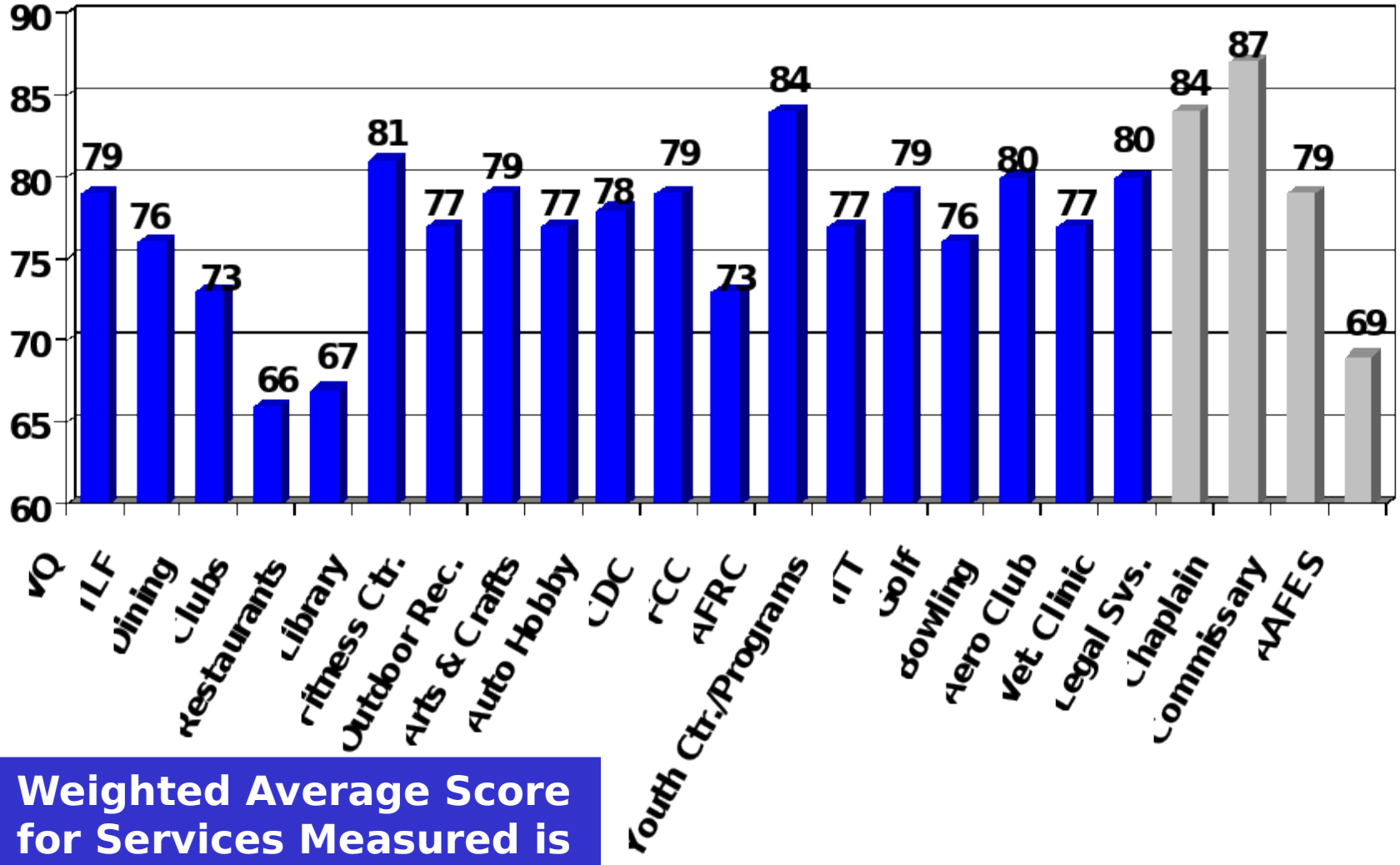
Food Service Needs Improvement



Weighted Average Score for Services Measured is 76.0

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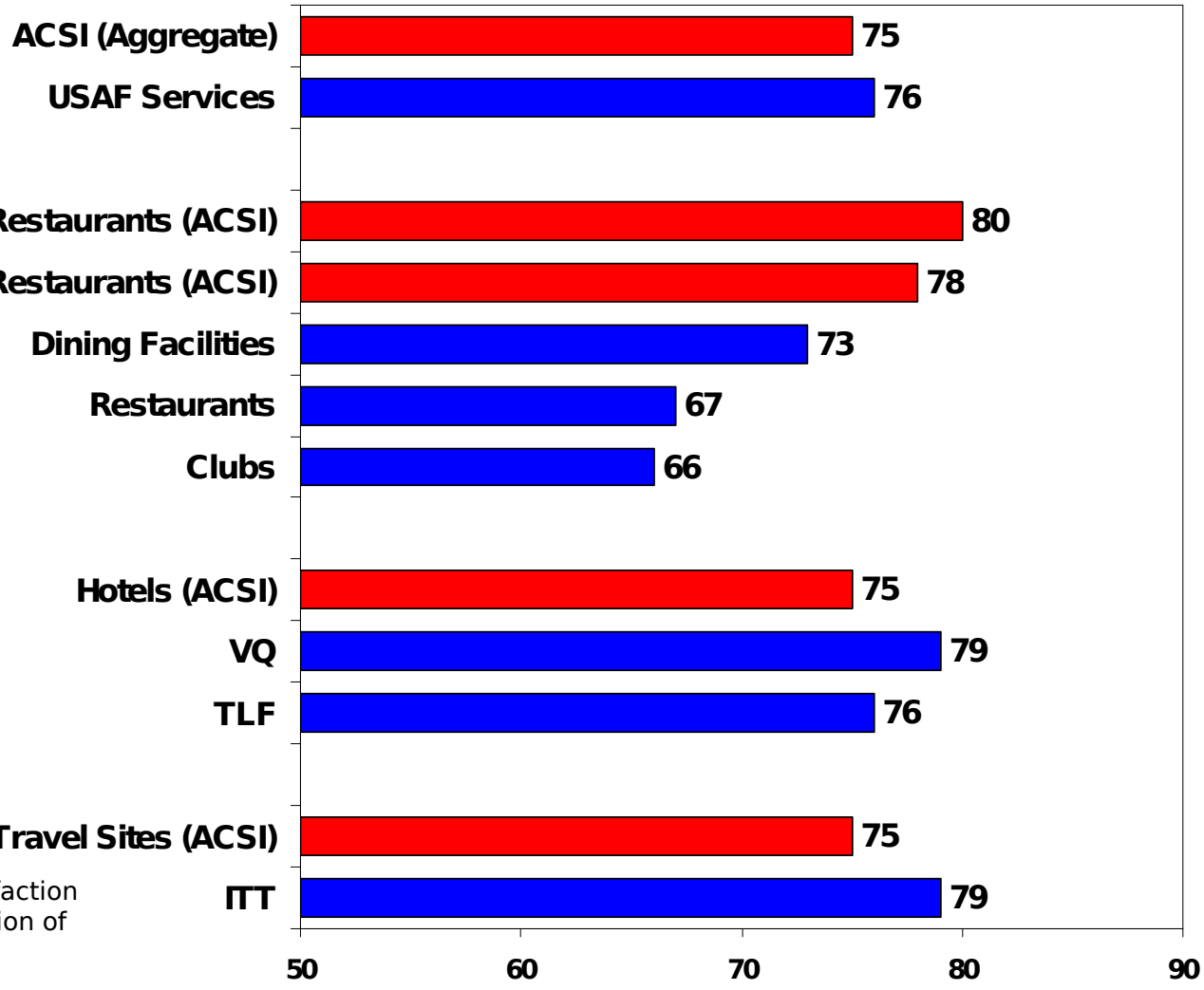
Some Benchmarks to the Private Sector



ACSI
American Customer Satisfaction Index™

Note: Comparisons are between ACSI satisfaction index scores and scores from Services section of survey and are therefore inexact. They are provided for context rather than explicit comparison.

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Feedback from Recent Focus Groups

- **Want healthier food options**
  - More fresh fruit, seafood, grilled food and larger salad bar
- **Desire more variety in the DFACs and other dining options**
- **Junior Airmen want increased flexibility in the use of meal funds/cards (e.g. ability to use that money to purchase their own food to prepare)**
- **Prefer longer hours of operation**
- **Desire late night options other than fast food and convenience store**

Business Case

Financial Estimates FY09 – FY15

Savings	**$146.8M**
Investment/Sustainment	**$62.4M**
Net Savings to AF	**$84.4M**

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Program Objectives

- **Focus on changing Airmen lifestyles, needs, and preferences**
- **Maintain home base and wa[illegible] capabilities**
- **Enhance food quality, variet[illegible] and availability**
- **Improve programs and facili[illegible]**
- **Provide nutritious meals**
- **Improve efficiency**

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Game Plan

- **Modernize food service facilities to better meet Airmen's needs**
- **Adopt leading university and corporate food service models**
- **Provide additional high quality, nutritious dining options**
- **Contract with global food service companies**
- **Expand dining opportunities to all members of base communities**
- **Implement at six pilot bases by 1 Oct 2**
- **Little Rock, AR; Fairchild, WA; Travis, C**

  MacDill, FL; Patrick, FL; Elmendorf, A

"We in the Air Force will not let austerity and fiscal constraints limit our thinking about innovation… History teaches us that some of the most revolutionary innovations have been born of austerity."

Gen Norton A. Schwartz, CSAF

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Assumptions

- **War fighting feeding capabilities will be maintained**
- **Allow military personnel to cross train in all food activities**
- **Work closely with Socio-Economically Disadvantaged Groups**
- **MAJCOM buy-in required**
- **Focused on CONUS bases**

No Statutory Changes Needed

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Additional Project Features

- Expert foodservice contract development and ongoing management support
- Extensive market research to evaluate customer satisfaction and acceptance
- New foodservice IT capabilities
  - Point of Sale (POS) and Web-Based services
- Performance management support
  - Using Balanced Scorecard framework and tools

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Acquisition Strategy

- **Establish national contract for turnkey operations**
- **Determine capable national and international food service operators that can meet requirements**
- **Package losing operations with winning operations to ensure financial viability**
- **Establish scalable and flexible contracts to expand within and across bases**

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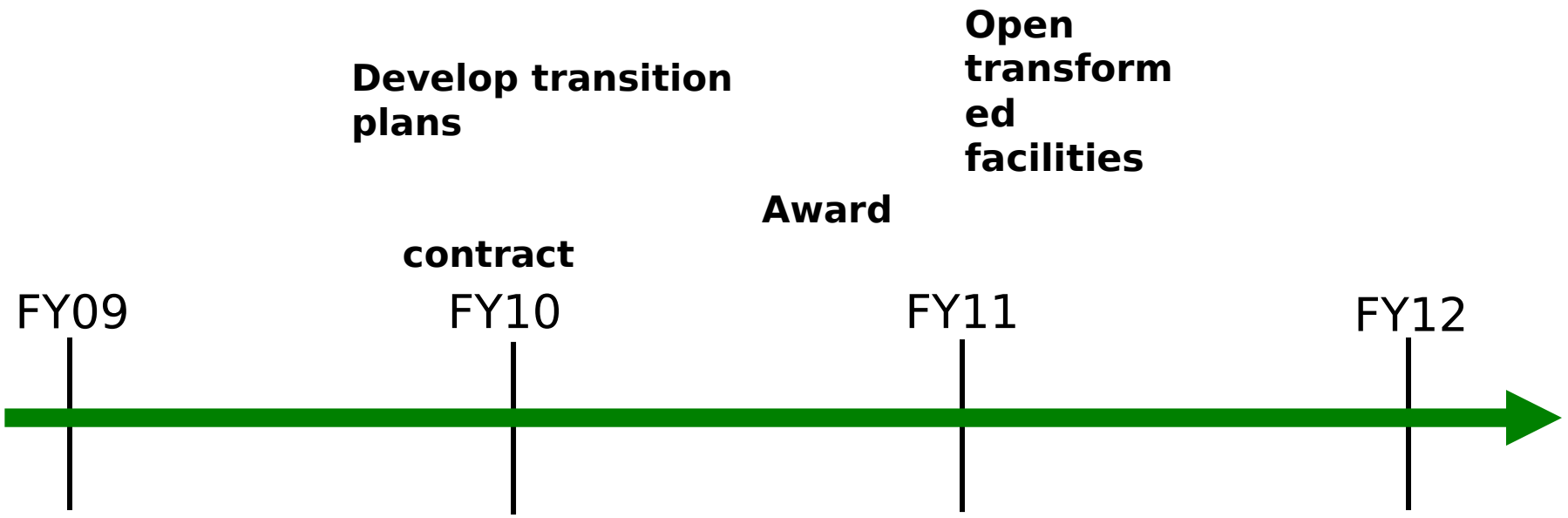
Phase One Timeline



Establish transformation team

Conduct market research for test locations

Develop CONOPS/contract documents

Implement new solutions

Evaluate success/refine as necessary

Refine post-test rollout plan

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Summary

What it is and What it is Not

It is About…

- Enhancing "Sense of Community"
- Improving the variety and availability of nutritious meals to help our Airmen remain "Fit to Fight"
- Building a new food service capability similar to university "community commons"
- Meeting changing lifestyles and needs of Airman and their families
- Enhancing training for military cooks
- Sustaining ability to feed Airmen at home and in deployed locations

It isn't About…

- Closing dining facilities
- Eliminating Essential Station Messing (ESM)
- Negatively impacting jobs for socio-economically disadvantaged groups

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Partnership Paves The Way